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STATE CONTROL OF AGRICULTURE AND INDUSTRY UNDER VICHY

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Description

This study concerns the control of the distribution of industrial and agricultural goods in France under the Vichy regime. The report is divided into three sections as follows: (1) agricultural controls on the national and local levels; (2) industrial controls on the national and local levels; and (3) the post-liberation period in terms of the necessity for continued governmental control and the changes which are likely to be introduced.

16 August 1944

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Summary

1. The Vichy government has been more concerned with controlling the distribution of industrial and agricultural goods than with promoting and planning their production.

2. Agricultural controls are administered on a national scale, by the Secretariat of State for Agriculture and Food Supply and on a local scale by the regional and departmental prefects and the mayors, assisted by representatives of the Secretariat of State. Extensive use is made of semi-public agencies supervised by the Secretariat of State. The most important are: (1) the Central Supply Committees, which assist in the collection of agricultural products; (2) the Agricultural Corporation, an all-embracing union of agricultural producers on a national, departmental, and local scale, which cooperates with the government agencies in the formulation and execution of agricultural policies; (3) the Interprofessional Groups for the Allocation of Farm Equipment (GIRPIA) which control the distribution of equipment among the farmers.

3. Industrial controls are administered on a national scale by the Secretariat of State for Industrial Production and on a local scale by the regional prefects, assisted by representatives of the Secretariat of State. Extensive use is made of semi-public agencies supervised by the Secretariat of State. The most important are (1) the Central Office for

the Allocation of raw materials, which controls the distribution of materials needed for industrial production; (2) the Organizing Committees, one for each industry, which plan production. Separate but similar organizations have been set up for handicrafts.

4. After the liberation of France, shortages are likely to necessitate continued government control of industry and agriculture. If it is found desirable for a time to retain some parts of the existing machinery of control, considerable changes in structure, personnel, and policy are likely to be introduced.

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Section A: AGRICULTURE

I. AIMS OF THE PROGRAM

The Vichy government has made little effort to promote or plan agricultural production. It has enacted regulations designed to insure a basic minimum of production for certain essential agricultural commodities by indirect means, but the scope of these regulations has been limited. On the other hand, an intense effort to control the collection, distribution, and consumption of agricultural products has resulted in extremely complicated legislation and regulation.

The aim of the control programs is to balance available supplies between areas of surplus and areas of deficit by compelling or inducing the farmers to bring their products to the official markets. The basic regulations are outlined in the laws of 23 October 1941 and 20 February 1942. Special provisions for particular crops are laid down in exceptional regulations.

Throughout the program an attempt is made to use private and semi-public bodies as well as governmental agencies to carry out the necessary regulations. The result is an extremely confused overlapping of functions.

II. AGENCIES OF CONTROL

A. Government Agencies

1. Functions. The Secretariat of State for Agriculture and Food Supply, and all the agencies dealing with agricultural questions, are organized on central, regional, and departmental levels. At each level these agencies have supreme power over the planning of production, distribution and consumption, exercise a regular supervision over the semi-governmental professional bodies through the appointment of government commissioners, and represent the French government in its negotiations with the occupying power in matters of farm products.

2. Organization.

a. Secretariat of State for Agriculture and Food Supply. Since 1940, frequent changes have taken place in the organization of the government agencies dealing with agriculture, as a result of the difficulty of coordinating an insufficient production with a progressively increasing demand in an economy characterized by shortages, German requisitions, and lack of imports. However, despite frequent shifts in personnel, titles, and lines of connection with other sections of the government, the basic machinery of control has remained fairly constant. The structure as of the end of 1943 follows (law of 10 November 1943 supplemented by an arrêté of 15 November 1943):

A. Personal Cabinet of the Minister:
1. General Inspectorate of Agriculture (supervision of lower levels)
2. General Inspectorate of Food Supplies
3. Service of negotiations with the Occupying Power
4. Directorate for General Administration of Personnel
5. Service of Transportation
6. Administration and financial controls of food board

B. General Secretariat for Economic and Social Affairs:
1. Directorate of occupational and social services (the Corporative Organization of Agriculture, Chambers of Agriculture, problems of land tenure, insurance, family allowances)
2. Directorate of Economic Affairs (foreign relations, prices, marketing, price adjustment)
3. Research and documentation services.

C. General Secretariat for Agriculture:
1. General Commissariat for Agricultural Resource (national and departmental quotas)
2. General Commissariat for Commercial Mobilization
3. General Directorate for Waters and Forests
4. General Directorate for Rural Engineering and Agricultural Irrigation
5. Directorate of Agricultural Production (the planning of agricultural production)
6. Directorate for Instruction (dissemination of agricultural techniques)

D. General Secretariat for Supply:
1. Directorate for supply of animal products
   a. Dairy products and meats (including poultry)
   b. Fats
2. Directorate for supply of vegetable products
   a. Fruits and vegetables
   b. Beverages and fodder
3. Directorate for food processing industries
   a. Canned food and fish, coffee, salt, beer, sugar, colonial products, etc.
   b. Industrial raw materials and wrappings
4. Directorate of distribution and consumption
   a. Rationing
   b. Ration cards
5. Directorate for financial and legal services

b. Regional Level. Under the law of 25 August 1941 the Regional Prefects are charged with the organization of

agricultural production within their regions. The Prefect is also responsible for the allocation of available surplus to deficit regions for the distribution of supplies within his own region, in accordance with the plans laid down on the national level. In the execution of these duties the regional prefect has power to order the department authorities to set up stockpiles of foods and to prevent the sale or removal of agricultural products. Assisting the Regional Prefect are the Economic Intendant, the Director of Agricultural Production, and the Director of Supply.

c. Departmental Level. Agricultural controls on the departmental level duplicate the regional machinery. At the head is the Prefect, assisted by the departmental Directors of the Agricultural and Food Supply Services. In addition there are departmental distribution officers who plan the distribution of the major items of agricultural production within the department.

d. Local Level. The government's representative at the bottom of the chain is the mayor, who is charged with supervising the execution of the orders of all agencies involved in agricultural control.

B. Semi-public Agencies.

1. Function. Alongside the governmental agencies, a group of semi-public agencies play a very important part in controlling distribution and production of agricultural

products. The membership of these semi-public bodies is drawn from the largest producers, processors, and traders in a given commodity. The actions of these agencies are taken in the name of all those concerned in handling a given product, whether actually represented or not, and have the force of law. Infractions of their regulations are punishable by heavy fines and imprisonment. Activity in any line, whether as producer, processor, or dealer, may not be carried on without a license from these bodies. They also supply the information concerning supply and demand on which the government agencies base their policy.

2. Extent of State Control. The presidents of these semi-public bodies are appointed by the Minister of Agriculture, to whom they are responsible. In theory, and to a varying degree in practice, they are completely subject to state control. The infiltration of large producers directly into the governmental control mechanism, however, has in effect given control to the large producers.

3. Development. State-controlled professional organizations were not an innovation of the Vichy regime. The law of 11 July 1938 on the organization of France during wartime provided for the formation of "licensed groups of producers and dealers" responsible for the procurement of definite commodities under State control. After the outbreak of the war provision was made for the establishment of "boards for the purchase and allocation of foodstuffs." These boards

had branches throughout the country and were responsible for the control of the supply of specific foodstuffs.

Under the Vichy regime these boards were extended to every branch of agriculture. The law of 27 September 1940 set up National Allocations Boards empowered to regulate the purchase, distribution, sale, and stockpiling of the commodities under their jurisdiction. The Boards were empowered to compel producers and wholesalers to sell to certain buyers exclusively, to prohibit the sale or use of specified commodities, to sell surplus stock, to balance diverging prices by means of compensatory taxes, to obtain statistics from producers and middlemen, to control the activities of individuals through power to issue or withhold licenses, to supervise wholesalers' and retailers' margins of profit.

Each National Board was assisted by an advisory commission which included a government member. Decisions of the Boards were subject to the approval of the advisory commissions, and conflicts between the Boards and the advisory commissions were submitted to the Ministry of Agriculture for final decision. The national structure was repeated on the departmental level by representatives of the National Boards assisted by departmental advisory commissions.

The law of 5 May 1941 created another type of semi-governmental body. These were the Purchasing Commissions,

organized on a cantonal basis, whose function was to purchase foodstuffs locally for the Secretary of Food Supply. These commissions were composed of a president and four members, one of whom had to be a farmer and one a dealer; they were assisted by experts and an administrative staff appointed by the departmental prefect. The cantonal Purchasing Commissions were empowered to carry out their operations by mutual consent of all parties or by requisition.

4. Revisions of Structure. Suspicions on the part of agriculturists that the operations of the National Boards were being manipulated for the private profit of their members led to a complete reorganization of the semi-governmental sector of agricultural control. Some national allocation boards had abused the allocating powers granted to them in the allocation of foodstuffs, had favored large businesses, and discriminated against the smaller ones. The law of 23 October 1941 which set up the new structure had a two-fold aim: to increase State supervision of the semi-public agricultural controls, and to transfer the accounting and distribution of agricultural products from the semi-public agencies, and to the governmental bureaucracy under the regional prefects. The National Allocations Boards were abolished and replaced by Central Supply Committees whose functions were limited to the "collection and mobilization of available resources." They were composed

of representatives of the interested trades, assisted by consumers' representatives chosen from the Association of Families and from the municipal councils.

The National Allocations Boards, the new Central Supply Committees were forbidden to buy, sell, or stockpile goods. The commercial activities of the old Boards were to be carried on by private commercial companies, organized under the strict supervision of the government, on a national, regional, and departmental basis. These groups were to execute the orders for purchasing commodities issued by the Ministry of Agriculture on the advice of the Supply Committees.

These private government-sponsored commercial companies were distinct from the cantonal Purchasing Commissions, which continued to exist. The cantonal commissions functioned as administrative bodies to allocate quotas for delivery from the local producers to the government; the commercial companies, through state-controlled commercial operations, undertook to balance supply and demand between surplus and deficit areas.

C. The Agricultural Corporation

1. Origin and Purpose. Parallel with the official and semi-official bodies dealing with agricultural production, the Vichy government by the law of 2 December 1940 created an Agricultural Corporation (Corporation paysanne) patterned upon the Italian Fascist corporation. In principle this organization represented all those engaged in agricultural

production and functioned both to protect their interests and to cooperate with the State. It was conceived as a single all-embracing organization, coordinating the activities of all the organizations that had previously existed in the field.

2. Membership. All agricultural producers, whether proprietors, renters, laborers, or rural artisans are entitled to membership in the communal unions (syndicats) which form the base of the corporation. Each commune has one union. Membership is not compulsory but the decisions of the unions are binding on all agriculturists. By April 1943 33,000 local unions had been formed.

3. Structure.

a. Local Union. The local union is headed by a syndic elected by the members, each having as many votes as he has children or other members of his family living with him. The syndic is the official local representative of all agriculturists; he works with the mayor of the community, in the execution of the government's agricultural policy, presides over the local cattle appraisal commission (commission d'évaluation du bétail), and speaks for the commune at the higher levels of the corporation.

b. Regional Union. Above the local unions are the regional unions made up of all the local unions of a department. (The word regional in this instance does not correspond

with the meaning of the work in general Vichy usage, since it refers to a department rather than a group of departments.) The regional unions consist of twelve members appointed by the Minister of Agriculture on the nomination of the local syndics. The regional union is headed by a General Delegate, who has under him several deputy delegates, a regional council varying in membership from fifteen to eighteen, and several appointees of the Specialized Groups which are organized at the national level. The regional unions represent farmers in most departmental agencies concerned with the production, allocation, and distribution of agricultural materials. By April 1943 eighty regional unions had been formed.

c. The National Level. The national head of the Corporation paysanne is the syndic national, who is appointed by the Minister of Agriculture. A National Syndical Chamber (Chambre Syndicale Nationale), appointed by the syndic national from among the members of the regional unions, examines all proposed agricultural legislation. Its function is, however, purely advisory.

Above the National Syndical Chamber is the National Corporative Council of Agriculture. In addition to representatives of the Syndical Chamber, the Council includes representatives of other branches of the corporation. It is presided over by the syndic national.

4. Other Branches of the Corporation. In addition to

the membership branch represented by the chain of local and regional unions, the Corporation includes branches made up of older organizations which were formerly independent.

a. Cooperatives. At the head of this branch, on the same level as the National Syndical Chamber and like it represented in the Corporative Council, is the Agricultural Corporative Federation (Fédération Corporative Agricole). This body is made up of the representatives of the national agricultural cooperatives grouped into twelve commodity sections. It is represented by regional federations to which all cooperatives and mutual credit associations must belong. Besides supervision from above through the national and regional federations, government control of the old cooperatives and mutual credit associations is assured by the requirement that 40 percent of their staffs must be appointed by the new organization.

b. Special Crop Groups. Large producers of the twelve most important commercial crops are organized in specialized groups (Groupes spécialisés), each under a president at the national level. These groups concern themselves with questions of interest to the producers of commercial crops, with prices, allocations, etc. They have no regional or communal branches but are represented directly in the regional unions of producers. Other representatives sit in the Corporative Council.

c. Agricultural Chambers. Departmental societies for

the promotion of scientific methods of agriculture have also been absorbed by the Corporation paysanne. The pre-war national organization of these scientific groups has been abolished and replaced by a Coordinating Committee of Regional Agricultural Chambers made up of the presidents of the Regional Chambers and six members of the National Corporative Council. The Regional Chambers, which are to replace gradually the old departmental societies, are made up of members appointed by the Minister of Agriculture, from nominations of the regional unions and some independently selected by the Minister. The Coordinating Committee is also represented in the Corporative Council.

d. Welfare Section. This branch (Sections Sociales), which exists only at the national level as an offshoot of the regional unions is represented in the Corporative Council. It is not directly concerned with production problems.

5. The Corporation and Food Supply. The Vichy government has tried to harness the efforts of the Corporation to those of the food supply services. In the nation-wide campaign launched in the early summer of 1943 to persuade farmers to deliver every quintal of wheat so that the period between the two harvests might be bridged, the Corporation took a certain part along with the Church, the government, the local authorities, the press, and the radio. At a meeting of the Corporation Paysanne in December 1943, however, the

minister and the syndic national explained that the Corporation would not continue to be "un organisme du ravitaillement" once the circumstances were no longer exceptional. While the Corporation is willing on the national scale to encourage delivery, it is on the whole reluctant to accept the particular responsibility for fixing the quotas of produce to be delivered by the farmers. In many departments prefects have complained of the unwillingness, often culminating in the downright refusal of the syndics either to undertake this task of distributing requisitioning quotas or to collaborate with the mayor.

III. CONTROL OF PRODUCTION

A. Crop Regulations

1. Cereals.

a. The Interprofessional Office of Cereals. By a law of 11 November 1940, an Interprofessional Office of Cereals was set up to organize the collection of all grain production. It is similar to the Central Supply Committees in other fields. This office extends to other cereals the functions of the National Office of Wheat established in 1936 by the Popular Front government. The Office of Wheat, under a chairman appointed by the Minister of Agriculture, had included an Administrative Board of 51 members made up of 29 producers, 9 millers and dealers, 9 representatives of the consumers, and 4 representatives of the State. Changes made by the 1940 law extend the coverage of the Office to include corn (maize), oats, barley, and buckwheat. Membership of the Administrative Board was reduced to 11, including 6 producers, 2 millers, 2 dealers, and 1 baker appointed by the Secretary of State for Agriculture and Food Supply.

The duties of the Office are as follows: to make surveys of available resources, to supervise deliveries from cereal producers to stockpiling agencies, to allocate available supplies among various regions, to "orientate" domestic production, to supervise the distribution of cattle feed and the processing of compound feed through the National

Bureau of Cattlefeed. The Interprofessional Office exercised the right of purchase on the domestic market, the right of requisition, and an absolute monopoly over the import and export of wheat and secondary cereals. Direct sale of cereals from the producer to the processor is prohibited, and the only agencies authorized to stockpile are the cooperatives and the licensed dealers.

b. Local Organization. In every department, there are Cereal Committees, and, since 25 August 1943, a cereal committee has been projected for every commune. This committee is presided over by the mayor, assisted by two producers, the syndic of the regional agricultural union, and representatives of the stockpiling agencies. The communal committee is responsible for harvesting grain and delivering it to the stockpiling agencies, and for gathering statistical information for the Office of Cereals.

c. Production Control. The government has tried to obtain larger acreages, if not higher yields, through high prices supplemented by premiums. Between August 1939 and August 1942 price increases ranged from 73 percent for wheat to 346 percent for barley. The price of bread to the consumer was controlled by selling grain to the millers below cost, the difference being made up to the cooperatives and dealers by government subsidy. At the same time the quantity of flour normally processed from raw grain was increased by

raising the sifting rate (the proportion of flour recovered from a given quantity of grain).

2. Meat Products.

a. National Committee for Meat Products. General control over meat production and distribution is exercised by the National Committee for Meat Products (Comité National Interprofessionel des Viandes) organized by the law of 27 September 1941. Contrary to the usual policy for such organizations, this Committee is a public agency with autonomous financing under the direct authority of the Secretariat of Agriculture and Food Supply. Its General Director is a civil servant, whereas in general Supply Committees are headed by important producers selected and appointed by the government. The General Director is assisted by an Executive Committee of nineteen members composed of ten representatives of the producers, five of whom are appointed by the Corporation Paysanne and nine by dealers and processors. The Executive Committee is presided over by a permanent directorate made up of a general delegate, who must be a producer, assisted by two deputies, one representing producers and the other dealers and processors. A governmental Commissioner represents the State within the Committee and exercises the power of veto over its most important decisions. The appointment of administrative personnel is subject to the approval of the Minister, and the

large budget is paid by the government.

b. Functions of the Committee. The Meat Products Committee assembles and analyzes all information concerning available resources and prospective needs, and proposes plans for production, import, and export to the Secretary of State for Agriculture and Food Supply. It draws up programs controlling the slaughtering, transport, and storage of meat products, supervises slaughterhouses, and exercises control over rationing and supplies. It fixes the prices for cattle to be slaughtered; licenses and supervises the activities of authorized producers, processors, and dealers; and exercises close supervision over the meat-producing sections of departmental commissions for the purchase and distribution of food supplies. At its request, the local commissions may be dissolved and their assets and activities put under the direct control of the Committee.

c. Practical Operations. Private slaughtering on the farm is authorized for home consumption only and is subject to severe restrictions. A decree of 3 February 1943 forbade private slaughtering of cattle altogether and limited the slaughter of sheep and goats to one head per year per person on the farm, and the slaughter of pigs to one head for a family of from three to four persons, two for a family of from five to seven, and so on. All other slaughtering was restricted to municipal abattoirs or to licensed

privately-owned slaughterhouses.

According to a decree of February 1941, meat producers, traders, and processors have been classified into seventeen categories, from cattle-raisers to the specialized producers of pharmaceutical and glandular extracts, all of whom are licensed by the departmental agents of the National Committee.

During the third week of each month, cattle raisers must declare to the mayor of their commune the number of cattle they intend to deliver to the markets of slaughterhouses during the coming month. The mayor transmits these declarations to the Purchasing Commissions through which they are sent to the departmental director of agriculture with an estimate of the needs of the commune. According to the relation between supply and demand in the department, the Purchasing Commission grants the farmer either a sales card permitting him to sell on the market, or a slaughtering card permitting him to sell to a slaughterhouse. No cattle or meat of any kind may be transferred without permit. The departmental director of agriculture is assisted in determining supply and demand by the head of the veterinary service, the chairman of the departmental Purchasing Commission, a farmer designated by the regional Agricultural Union, and a representative of the cattle dealers. The report of available resources within each department is then sent to the Secretary of Agriculture and Food Supply and to the National Committee,

which allocates the supply among the various departments.

The Secretary of Agriculture and Food Supply, his regional or departmental representatives, the General Delegate of the National Committee, and the heads of the Purchasing Commission for meat have the right to requisition cattle. No special conditions limit this right, which constitutes a powerful weapon in the hands of the government. Likewise, the National Committee has a complete monopoly over the import and export of cattle, which places it at the very center of negotiations between France and Germany over the delivery of meat products to the Reich.

3. Dairy Products.

a. The Central Committee for Dairy Products. The distribution of dairy products was quickly brought under complete government control, the main features of which have not been modified since July 1940. There is no direct control over dairy production; although farmers are obliged to deliver all dairy products which are not required for their own family consumption, no production quotas have been as yet imposed on them.

By a law of 27 July 1940, a Central Committee for Dairy Products (Comité Central des Groupements Interprofessionnels Laitiers) was organized subject to the Ministry of Agriculture and Food Supply. The Central Committee includes a chairman, two vice-chairmen, a treasurer, a general delegate,

and sixteen members representing producers, processors, and dealers. All are appointed by the Secretary of State for Agriculture who is represented on the committee by a governmental Commissioner. The Committee is divided into four subcommittees for milk, butter, cheese, and byproducts; each of them is headed by a general delegate assisted by from eleven to twenty-three members. The Central Committee appoints and supervises a committee in each department consisting of four members representing producers, dairy cooperatives, processors, and dealers.

b. Functions of the Committee. These committees have broad powers over milk distribution and a more limited control over the production of butter and cheese. They draw up inventories of needs and supplies for every region and place available resources in surplus areas at the disposal of the Central Committee for further distribution. Although they try to induce farmers to modify their production to meet national needs, they exercise no compulsory control of production. They allocate available resources between processors and dealers, and organize the collection and transportation of these resources. They have the right to set prices for all types of dairy products. They also license and supervise dealers and processors. Any person not licensed by the departmental committee or who has not received a "professional card" from the prefect is not entitled to process, sell, or distribute dairy products.

c. Basic Regulations. All producers, traders, and processors are divided into six categories, each of which receives a special license. In order to obtain a license, every producer, dealer, or processor must complete and send to the departmental committee a questionnaire giving complete information concerning his business operations in 1938-39. Processors and dealers must make a monthly report to the committee on the quantity of dairy products purchased, processed, sold, and held in stock. Failure to make full reports may result in confiscation, fines, and even imprisonment.

d. Production Disposal Control. To facilitate transportation the head of every departmental committee must delimit the different areas in which the cooperatives and processors are authorized to collect milk. Every milk producer is obliged to deliver his milk to a designated cooperative or processor in his area. Producers are also to sell their milk, butter, and cheese on the regular markets, but only to licensed traders.

Farmers are forbidden to use unskimmed milk to feed cattle except in certain regions where cattle-raising is the prevailing activity. The consumption of unskimmed milk is restricted to babies, young children, and to expectant or nursing mothers.

Production of concentrated and powdered milk is restricted to a percentage of 1938-39 production.

In every department, the head of the departmental committee determines the quantity of milk to be processed into butter and cheese by each processor. At least 20 percent of the butter and cheese processed must be placed at the disposal of the departmental committee, which distributes it to deficit areas, hospitals, and welfare organizations, in accordance with instructions issued by the Central Committee.

4. Sugar Beets.

a. General Regulations. Control of sugar beet production is based on general collective agreements between the producers and the refiners, both of which are included in the National Group for Sugar Beets. Any contract between a sugar beet grower and a sugar refinery must come within the general framework of contracts established by these groups. Sugar beet growers must file a declaration of the acreage they intend to cultivate with the processing plant or refinery to which the grower usually delivers his produce. The refinery, in turn, notifies the two controlling groups and the mayor of the locality in which the grower maintains his legal residence. The acreage of any producer must equal the corresponding acreage of 1941 which must be at least three-fourths that of 1938.

b. Inducements to Increase Population. As in the case

of cereals, Vichy has encouraged the production of sugar beets by raising prices, and by offering a special premium to growers who plant the prescribed minimum acreage. The basic price for sugar beets for 1942 was fixed at 525 francs per ton plus a premium of 100 francs, whereas the price in 1941 was only 310 francs. Growers who have subscribed to such contracts are also entitled to supplementary deliveries of fertilizers and fuel alcohol. An allowance of 1.25 kilo of refined sugar is added to the normal sugar ration for every ton of sugar beets delivered. From this supplementary ration, the growers must pass on to their workers one kilo for every hectare planted in beets.

5. Potatoes.

a. Production Quotas. The Secretary of Agriculture and Food Supply and the Central Supply Committee for potatoes set general figures for production which are allocated between the various regions. In every region the prefect allocates the quota among the several departments with the assistance of a special committee composed of the regional and departmental directors of agriculture and food supply, a delegate of the Regional Agricultural Union, a delegate of the Central Supply Committee for potatoes, a producer, a dealer, and a delegate of the cooperatives. Quotas are then allocated among the communes, the mayor or the syndic of the local Agricultural Union fixing individual quotas for all growers.

For executing contracts guaranteeing the delivery of

their quotas potato growers receive a premium of 20 francs per quintal. One-half of this premium must be applied to farm improvements, seeds, fertilizer, implements, and similar capital expenditures. These premiums are paid by the government to supplement the basic official market price. Growers who refuse the contract are still compelled to deliver the prescribed quota, but they forfeit the right to the premium.

b. Collection. In every department farmers must contract to deliver their entire crop to licensed dealers who report an estimate of prospective crop deliveries to the departmental Purchasing Commission. On the basis of this estimate, the Central Supply Committee for Potatoes draws up a distribution plan allocating surplus to deficit areas. If the quota prescribed is not delivered, the prefect may requisition the non-delivered goods plus a 10 percent penalty. If the default is attributed to bad weather, however, the quota is referred to arbitration courts. Quantities in excess of the quotas contracted for remain at the disposal of the growers, subject to the general regulations controlling distribution.

c. Distribution Controls. The "National Bureau for Potatoes," established by a law of 22 December 1940 was replaced by a "Central Supply Committee for Potatoes" in December 1941 without any change in procedure. The Central Supply Committee consists of a director and a deputy director, assisted by a committee

composed of seven potato producers, two starch producers, two potato seed producers, and eight dealers. It is under the supervision of a governmental commissioner.

The Committee issues licenses to retailers, brokers, and starch producers. Only dealers who had a sufficient turnover in 1938-39 can obtain licenses, which give them a complete local monopoly over all transactions. They are required to pay high license fees -- about eight francs per quintal -- plus an annual contribution amounting to at least ten million francs. This tax covers the expenses of the large bureaucracy set up by the regulations.

Unrestricted dealing in potatoes is theoretically prohibited by the law of 8 December 1940. Farmers cannot sell directly to retailers, and they are also forbidden to sell more than ten pounds directly to private consumers. Since 15 April 1943, however, city consumers may exchange ration coupons for a "transport authorization" which enables farmers to send them 100 pounds of potatoes every six months. Because other direct deliveries are forbidden under severe penalties, widespread black market operations have developed.

6. Poultry Products. The system for controlling poultry products follows the general rules laid down for potatoes. The Secretary of State for Agriculture and Food Supply, in consultation with the Central Supply Committee establishes quotas to be delivered to the dealers; however, no contracts

are signed by the poultry-raisers, nor do they receive any premium for their deliveries. The quotas are based on past production, and must be delivered at official prices to the local agents of the Central Supply Committee for Poultry Implements and Feeding. Since these agents are also the source for all poultry supplies, they have broad powers of control. If the poultry-raisers fail to deliver the prescribed amounts, they are deprived of necessary supplies. The quantities, prescribed under the quotas, however, fall far short of total production; consequently large-scale black market operations exist.

7. Vegetables. Regulations for vegetables vary little from those for other crops. According to information published early in 1943, 30 percent of the production of vegetables on truck farms under 10,000 square meters, and 50 percent for truck farms of larger size, was earmarked for compulsory delivery. In addition, 100 kilograms of fresh vegetables or eight kilograms of dried vegetables had to be delivered for every 100 square meters of cultivated land.

B. The Distribution of Farm Equipment

1. Agencies of Control.

a. Fertilizer, Feed, etc. The distribution to farmers of agricultural equipment which is itself an agricultural product (fertilizer, feed, seeds, binder twine, etc.) is controlled.

b. Groupements Interprofessionnels de répartition des produits indispensables à l'agriculture (GIRPIA) or Groups for the Allocation of Agricultural Commodities. This agency is set up on a departmental basis. Each department, according to the law of 18 September 1940, has an autonomous GIRPIA consisting of four members appointed by the Secretary of State for Agriculture and Food Supply. Two of these represent manufacturers and dealers and two the cooperatives and agricultural unions interested in the purchase of the items listed above. In addition, a farmer and the departmental Director of the Agricultural Services are members in an advisory capacity.

c. Machinery, Tools, and Fuel. These items do not come under the general coordinating control of the GIRPIA, but are handled directly through the agencies controlling their production. Agricultural tools are requested by the Organizing Committee for agricultural equipment, trucks by the Organizing Committee for the automotive industry, and fuel by the fuel section of the Central Office for the allocation of raw materials.

2. Functions of the GIRPIA. Under the supervision of the departmental Director of the Agricultural Services, the GIRPIA draws up an estimate of the need for agricultural equipment under its jurisdiction. It allocates the departmental quota of these commodities among the dealers, and maintains contact with the agencies controlling the

production of agricultural equipment, acting as the liaison agency through which farmers place their orders.

3. Operation of the Program. In each case whether it falls under the jurisdiction of the CIRPIA or is handled directly through a production control agency, the receipt of materials is made dependent on a contract to deliver a fixed quantity of produce so far as this is possible.

a. Seeds. Farmers wishing to purchase seeds must produce an authorization from the departmental agent of the Central Supply Committee for the crop concerned. This authorization is given only after the farmer has contracted to deliver his entire crop to the local market or to licensed dealers. The actual yield to be delivered for a given quantity of seed is determined by the Departmental Director of Agricultural Services, with the advice of the agent of the Central Supply Committee.

b. Fodder. In addition to the usual controls, the purchase of fodder is subjected to the supervision of the National Bureau for the allocation of cattle feed (Bureau National de répartition des aliments du bétail). The National Bureau prepares a plan for the over-all distribution of fodder and controls the transfer of material from surplus to deficit areas. Its local agent, the departmental allocator, determines the ultimate destination of the material. No feed may be delivered without his authorization (bon de livraison).

c. New Equipment. The distribution of new trucks, farm machinery, and tools is directly controlled by the Ministry of Agriculture. The Ministry allocates to each department coupons representing the latter's proportion of the available equipment; and the rural Engineering Service of the department in turn allocates coupons to individual farmers. The available supply tends to be underestimated, with the result that coupons permitting purchase may not be forthcoming even when the required machine is locally available on the official market.

d. Spare Parts and Repairs. Spare parts, repairs, horseshoes, etc., are still handled by village and town craftsmen. No special regulations controlling the operation of these craftsmen in their dealings with farmers are known. The acquisition of the materials necessary for their work is, however, subject to the regulations controlling the distribution of industrial products.

e. Fuel. Agricultural producers are subject to general regulations for the consumption of fuel.

Section B: INDUSTRY

I. INTRODUCTION

The machinery established by Vichy for the formulation of production programs and the allocation of raw materials for industry is somewhat simpler than for agriculture. It rests in the same way on the cooperation of the agencies of the Secretariat of State for Industrial Production with various semi-public agencies.

II. THE SECRETARIAT OF STATE FOR INDUSTRIAL PRODUCTION

The Secretariat of State for Industrial Production is responsible for supervising and controlling the manufacture and distribution of the products of industry and handicraft. Unlike the Secretariat for Agriculture and Food Supply, which has representatives on the departmental level, the Secretariat for Industrial Production is organized only on the national and regional levels.

A. National Level

The Secretariat of State for Industrial Production is composed of the Minister and his cabinet, two General Secretariats, one special Secretariat, and one General Commissariat. Until 1943, the two General Secretariats were 1) the General Secretariat for Industrial Production and Domestic Commerce and 2) the General Secretariat for Industrial Power. In January 1943 these were reorganized into 1) the General Secretariat for Industrial Production and 2) the General Secretariat for Industrial and Commercial Organization.

A special Secretariat functions for the allocation of raw materials, and serves as the link between the General Secretariats and the Central Office for the Allocation of Raw Materials (see below). In the summer of 1943 a General Commissariat for Consumers' Goods was created, which is believed to be concerned with the rationing of industrial products.

B. Regional Level

The Secretariat of State for Industrial Production has several agencies operating on the regional level. Their general functions are to supervise the semi-public agencies which have been given a role in the formulation of economic policy, and to ensure the execution of orders issued by the national office.

1. Regional Inspectors. In each regional area, which coincides roughly with a regional prefecture, there is a General Inspector for Industrial Production. These Inspectors represent the Secretariat for Industrial Production at the Regional Prefecture, and supervise the operations of the ten regional services listed below. They also supervise on the regional level the operations of the Organizing Committees and of the different sections of the Central Office for the Allocation of Raw Materials.

2. Regional Services. The ten regional services are: a) Mines, b) Liquid Fuel, c) Electricity, d) Mechanical and Electrical Industries, e) Chemicals, f) Textiles and Leather, g) Domestic Commerce, h) Lumber, i) Handicrafts, and j) Transportation. The function of each regional service is to supervise the operations of all enterprises in its particular sphere.

III. THE CENTRAL OFFICE FOR THE ALLOCATION OF RAW MATERIALS

The Central Office for the Allocation of Raw Materials supplies the administrative machinery whereby industrial products are allocated between the public services, the Organizing Committees, and other agencies coordinating industrial production. The Central Office consists of a Central Section and thirteen Commodity Allocation Sections.

A. Central Section

The Central Section is directly under the Secretary of State for Industrial Production. It is composed of six branches: 1) administrative and financial coordination, 2) public relations, 3) legislation, 4) claims and litigations, 5) statistics, 6) coordination of allocation. The last two branches are the most important. The statistics branch, in addition to issuing special questionnaires, receives a monthly report on manpower, work duration, wages, and production, from all the Organizing Committees. The coordination branch adjusts the allocations made by the various Commodity Sections to the Organizing Committees, and arbitrates disputes between the Commodity Sections and the Organizing Committees.

B. Commodity Allocation Sections

There are thirteen Commodity Allocation Sections: 1) Iron and Steel, 2) Non-ferrous metals, 3) Coal, 4) Petroleum and other fuels, 5) Industrial fats, 6) Chemicals, 7) Textiles, 8) Paper and cardboard, 9) Leather and skins, 10) Rubber and asbestos, 11) Miscellaneous, 12) Lumber, 13) Building materials.

The function of these sections is to control the stockpiling, allocation, purchase, sale, and consumption of the commodities which fall within their respective fields. They have extensive powers: they can order the sale of any stockpile; they can oblige producers to sell to designated consumers, and oblige consumers to buy from designated producers; they can forbid the use of a particular product in any industry; they can impose taxes to equalize prices between various producers.

At the head of each section is an Allocator. His actions are subject to general supervision, rather than direct control, by the government. The Secretary of State for Industrial Production may dismiss an Allocator, but he cannot alter his decision in any particular case. Allocators and their staffs are not governmental employees, though their selection is subject to the approval of the Minister. Their salaries are paid by fees levied on the producers under their control.

The commodity Allocation Centers have found it necessary to establish regional offices throughout the country. For example, in 1941 the Coal Section had 21 regional offices, 12 in the occupied and 9 in the unoccupied zones of France.

IV. THE ORGANIZING COMMITTEES

A. Functions

The Organizing Committees were created by a law of 16 August 1940, to be the exclusive intermediaries between the State and all industrial producers. The Government had previously abolished

the pre-war national organizations which had represented the interests of the employers and the workers, including the General Confederation of Labor, the General Confederation of French Employers, the Steel Committee, and the Coal Committee.

By the creation of the Organizing Committees the Government hoped to achieve three main objectives: to bring all industrial enterprises under a system of over-all planning which would take account of national requirements; to assist those industries which suffered from a lack of raw materials or from insufficient demand; to give special assistance to industries considered to be of particular national importance.

B. Powers

The control of the Organizing Committees over production is practically unlimited. They may order plants to be closed, workers shifted from one factory to another, markets reserved for particular producers, special types of machinery and equipment to be installed in any factory. Producers who fail to obey the decisions of the Organizing Committees may be fined up to 10 percent of their annual turnover, and, in case of repeated violations, may be excluded from participation in the operations of the Committee.

Although the Organizing Committees are not responsible for the allocation of raw materials, they exercise strong influence on allocation policies, since their members usually belong to the advisory committees of the Commodity Sections of the Central Office of Allocation.

C. Structure

Each Organizing Committee is headed by a "Director," "President," or "Delegate," who represents the Committee in all negotiations with governmental agencies, other Organizing Committees, and with the industries supervised by the Committee. The director of the Committee is usually assisted by a general secretary who has under him a staff in charge of production planning, statistical research, public relations, legal and fiscal matters, and so on. Besides the director and his staff, every Committee includes an advisory committee of several members who are usually outstanding industrialists.

State control is insured by governmental commissioners attached to each Organizing Committee, the membership of which is selected by the Ministry for Industrial Production from lists submitted by the producers of the commodity concerned. The Committees, whose members are not public officials, are financed by fees levied on all members of the industry concerned. Labor organizations have no voice in the new machinery for the control of industry.

D. Scope

In August 1943, there were more than 150 Organizing Committees covering most industrial and commercial activities. Three "General" Organizing Committees embrace a very broad field, with ordinary Organizing Committees under them.

(a) The General Organizing Committee for mechanical industries, included about twenty-five ordinary Committees for such groups as those for "agricultural implements," "machine tools," "automotive and bicycle," "foundry," and others.

(b) The General Organizing Committee for leather and related industries, included four ordinary Committees such as those for "skins and raw leather," and "shoes."

(c) The General Organizing Committee for Textile Industries comprised about eighteen ordinary Committees such as those for "wool," "cotton," "silk," "hosiery," and "wearing apparel."

E. Regional Organization

Although some Organizing Committees have regional branches throughout France, this does not appear to be the general practice. Since the Organizing Committees are interested in industrial production, their regional branches are located in the main centers of production, without regard to other administrative divisions, such as the regional prefectures. At the head of each of these regional branches is a regional agent to coordinate the industries in his area with the national Organizing Committees, to control the allocation of raw materials between the producers in his area, and to advise the perfects of the opening of new enterprises.

F. Special Functions

1. Social Welfare. As members of the corporative system of "industrial families" set up under the Labor Charter, the Organizing Committees are called upon to play an important role in social

welfare programs.

2. Industrial Concentration. In view of the lack of raw materials and German demands for the shipment of French manpower to Germany, the Minister of Industrial Production was empowered in December 1941, to draw up a list of plants to be closed temporarily. The Organizing Committees concerned were authorized to levy special fees on the plants continuing in operation, and to allocate the funds thus collected among the closed plants to cover the cost of amortization, payment of interest on bonds, repairs, and maintenance. This program has resulted in an unprecedented concentration of industrial production. Since large modern plants usually require less raw materials and manpower for a comparable production, the smaller and less efficient plants are ordinarily closed first.

3. The Center for Production Information. Founded by a decree of 30 April 1941, the center for Production Information is charged with supplying the Organizing Committees with statistical data. Its members are appointed by the Minister for Industrial Production, who also appoints a Commissioner to attend its meetings.

V. SPECIAL ORGANIZATIONS FOR HANDICRAFT

Special organizations have been established to regulate handicraft activities, which play an important role in the economy of rural France.

A. The Handicraft Chambers

The Handicraft Chambers, which were created under the Third Republic, have continued to function under Vichy. They are associations representing all craftsmen (whatever their specialty) in a given district, two-thirds of their membership consisting of master craftsmen, and one-third of journeymen. They supervise the training of young apprentice craftsmen in the district, and advise the government in matters involving the economic interests of craftsmen.

B. The Occupational Groups of Craftsmen

The Occupational Groups of Craftsmen are new bodies established by Vichy within the Handicrart Chambers and made up of craftsmen organized according to their work specialty. Their primary purpose is to ensure that craftsmen are familiar with all government regulations pertaining to their activities.

C. The Allocation Boards for Handicrafts

The Allocation Boards for Handicrafts (Bureaux artisanaux de Matières), created in 1941, draw up an inventory of the raw materials needed by craftsmen and supervise their allocation. They are attached to the Handicraft Chambers, and function much as the Central Office for the Allocation of Raw Materials, but in a much smaller field.

VI. THE OPERATION OF THE PRODUCTION PLANNING PROGRAM

A. General Policies

1. Priority Industries. The Central Office for the Allocation

of Raw Materials serves as a clearing house for the products of the various Organizing Committees, and supplies them with the raw materials and industrial products they need. The Commodity Sections of the Central Office for Allocation are in constant communication with the Organizing Committees in their field. The coordination branch of the Central Section of the Central Office for Allocation arbitrates conflicting demands from different Organizing Committees for the same raw material or industrial product by establishing a scale of priority between various industries. The establishment of such a scale involves questions of general economic policy, which are referred to the Secretary of State for Industrial Production, who is the head of the Central Section.

In practice, the major public services (railroads, public utilities, etc.) have been given an absolute priority for their basic requirements. A high priority has also been given to industries engaged in new synthetic production (synthetic gas, synthetic leather, etc.), and to the farm equipment industry, in line with Vichy's policy of favoring agriculture.

2. German Demands. French industries working on German orders are given a high priority. In addition, the German authorities insist that a proportion of all French raw materials be sent to Germany. The division of French raw materials between French and German factories is settled in discussions with the German Economic

Staff at which France is represented by officials of the Central Office for Allocation, the Secretariat for Industrial Production, and the Organizing Committees concerned. German control over imports into France places a further weapon in their hands for interfering in French production.

B. The "Free" and "Planned" Sectors

In the terminology of the Vichy Secretariat for Industrial Production, a distinction is drawn between the "free" and "planned" sectors of production. Under the "planned" sector comes all production directly controlled by the industrial Organizing Committees. In this sector production programs are prepared by the Organizing Committees, and then coordinated by the Central Office for Allocation.

Besides the industrial Organizing Committees, there are also Organizing Committees for wholesale and retail dealers regulating the disposal of consumers' goods. The Secretariat for Industrial Production refers to the sector supplying consumers' goods (including materials needed by independent craftsmen) as the "free" sector. Such consumers are not free to order any amount of goods from the Organizing Committees in charge of their distribution; it simply means that the exact amount allocated to a particular consumer is not closely controlled. For example, craftsmen may purchase steel and iron without restriction up to 50 kilograms a month.

Coal and textile retail dealers are allotted a proportion of their 1938 sales. Other individual needs are met through the issuance of "purchasing permits," which must be approved by the local mayor and submitted to the Domestic Commerce branch of the regional services of the Secretariat for Industrial Production.

C. Operation of the Machinery for Allocation

Every quarter, each industrialist sends his Organizing Committee a request for the material necessary to fill orders received by him, attaching a copy of these orders and a certified statement of the stocks he has on hand. Industrialists usually belong to only one Organizing Committee; large industrialists with diversified production may belong to several. Similarly every month each craftsman sends his Allocation Board for Handicrafts the same kind of information: orders received, stocks on hand. This information is tabulated by the Allocation Board for Handicrafts and sent to the appropriate Organizing Committees.

The Organizing Committees tabulate all requests received from industrialists and craftsmen and send them to the relevant Commodity Section of the Central Office for the Allocation of Raw Materials. In most cases, a single Organizing Committee depends on several Commodity Sections; for example, the Organizing Committee for the automotive industry depends on the Commodity Sections for steel, textiles,

rubber, industrial fats, and chemicals.

In distributing the raw materials, the Allocator at the head of each Commodity Section may allocate quotas to the Organizing Committee, which then distributes them among its members, or he may himself determine the quota to be allotted to each member of the Organizing Committee.

The allotments thus determined are granted in the form of special authorizations to purchase. Authorizations for particularly scarce raw materials such as iron or paper, take the form of special "commodity currency," which is very difficult to counterfeit.

When the individual industrialists or craftsmen have received their authorizations to purchase, either directly from the Commodity Sections or indirectly through the Organizing Committees, they order raw materials from their usual supplies, surrendering their authorizations to purchase in exchange. If their usual supplier cannot fill the order, the Organizing Committees must direct them to other sources.

Section C. CONCLUSIONS. POST-LIBERATION PROBLEMS

The machinery developed by Vichy for control by production and distribution was the result of several different factors: the scarcity of essential supplies, the German policy of gearing French production to the German war-effort, and the fascist-inspired social and economic philosophy identified with Vichy.

Of these factors, the scarcity of essential supplies, is likely to continue after the others have disappeared. Some sort of production planning, under a system of priorities, will doubtless be found necessary in order to direct available supplies of scarce commodities into the most important channels. Similarly it may be necessary to maintain controls over the distribution of consumers' goods.

These considerations may make it necessary to retain, at least for a time, some of the governmental and semi-public agencies functioning in the field of production planning and allocation of supplies. The Organizing Committees in industry, the Interprofessional Committees of Supply in agriculture, and the Central Office for the Allocation of Raw Materials may provide the needed machinery for allocating scarce supplies among the immense number of individual producers and consumers.

Even though it may be decided to use some of the Vichy agencies for the control of production and distribution, drastic changes in their structure, personnel, and policy may be necessary.

I. CHANGES IN STRUCTURE

The structure of the Vichy agencies of control, both in industry and agriculture, is basically fascist in nature. In the Vichy agencies, all members of a profession are subject to control by a small body supposedly representing them, but actually appointed by the State. In both industry and agriculture the representatives of the largest producers dominate the most important government agencies. The workers have not been represented at all in the controlling bodies, and the consumers only very ineffectively. Consequently, the Vichy agencies of control are objectionable to the majority of Frenchmen.

The government agencies may be placed on a more democratic basis, by the inclusion in the agricultural agencies of representatives of the consumers, middle-size and small farmers, farm-tenants, and agricultural workers, and in the industrial agencies of representatives of the smaller producers and the workers. The pre-war rule that all representatives of the wheat producers in the Office of Wheat must be bona-fide wheat producers will probably be revived, thus excluding absentee land-owners and officials of the wheat associations. In industry, the personnel of the Organizing Committees may be barred from membership in the Commodity Sections of the Central Office for Allocation, in order to introduce a greater measure of objectivity into the operations of the latter.

Some Vichy institutions stand condemned as purely fascist in character and serving no useful purpose in production control. This is true, for example, of the Argicultural Corporation (Corporation paysanne), from which the old democratic farmers' associations and cooperatives are likely to be freed. Instead the latter will probably be given representation on the bodies controlling agricultural production.

II. PERSONNEL

Apart from changes in the basis of representation in the controlling agencies, officials who have been guilty of collaborating with the enemy will doubtless be removed from key positions.

III. POLICY

The liberation will present France with the need to develop a completely new policy on priorities of raw materials. German orders, which have received the highest priority, will disappear. There will be in all probability no reason to continue the policy of giving high priority to the manufacture of synthetic materials.